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Leadership Interview Series: Allan Ryan

By Sophia Dao



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Interviewer's notes: I had the pleasure of talking to Allan Ryan at the Valuation Actuary Symposium in Indianapolis, and this is based on a live recording of my interview. Allan had spent a long, successful career at reputable actuarial firms, including MetLife, Deloitte and PwC. He also spent the last two of his working years in Japan. In addition, Allan was, and still is, an active volunteer with the American Academy of Actuaries and the Society of Actuaries (SOA). Here, Allan reflected on his experience and shared with us his insights on work and volunteerism.



Allan W. Ryan, FSA, MAAA

Allan retired from full-time actuarial work in 2009. He is currently a co-chair of the Academy's Volunteer Resource Committee and a member of the Task Force on Principle-Based Reserves of the Life Committee of the Actuarial Standard Board. An exposure draft of an Actuarial Standard of Practice (ASOP) on principle-based life reserves was just released for comment. Allan discussed the exposure draft as part of the seminar "Life PBR—The New Valuation World," following the Valuation Actuary Symposium.

Do you see volunteer work helping with your career?

Yes. I think the two complement each other.

Can you give me an example?

A good example is professionalism. At both Deloitte and PwC, I was in charge of developing company standards for the actuarial practice—to put together what guidance actuaries should be aware of; not just actuarial standards, but also accounting standards, legal requirements, peer review and firm policies

that affect our work. You could say that I led the effort to develop a "professionalism framework" for the actuarial practices of both Deloitte and PwC. This process was facilitated by my involvement in the Academy's professionalism work.

So, you helped shape industry standards?

Yes, I think to some degree, but more through my volunteer work with the Academy. This started when I joined the Committee on Professional Responsibility, which I eventually chaired. The committee has developed "discussion papers" providing non-binding guidance on professionalism topics. As an example, we developed the first white paper on peer review. As a member of the Life Committee of the Actuarial Standards Board, I chaired a task force that revised the ASOP on Reinsurance. In 2006, I joined the Academy board as the vice president for Professionalism. As a member of the Executive Committee of the board, and the Strategic Planning Committee, I was involved with the updating of the Academy's strategic plan.

You have had a successful career. In your opinion, what are some of the qualifications that an actuary needs to possess in order to have a successful career?

Obviously the exams and the technical knowledge. But I also think that communication skills are important—both written and oral, particularly in addressing an audience that doesn't necessarily know or care about the technical details.

The traditional path for an actuary is usually to work for a company for a few years, get to manage a few people, and then eventually get promoted to AVP and VP levels. Do you think that at a certain level, actuaries still need the technical skills?

Yes, and I think having general business skills is important too. I also think that just having a good all-around education helps as well. An actuary who

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becomes CEO of an insurance company will not likely be performing technical actuarial tasks, but the technical training should serve as an asset in making business decisions.

Based on your experience working at different companies, what do you think are the qualities that a good leader possesses?

As discussed earlier, general business and communication skills are important. I think being a good listener is also important, and to manage without getting too far into the details. Let others speak, and then try to help shape the process. Also, just taking and showing an interest helps you move forward.

You worked in Japan for two years. What are some of the differences between Japanese and American corporate cultures?

The office environment is more formal. As an example, “business casual” was unheard of in Japan, although that is changing slowly. Even little things like business card exchange are more formal. And in Japan, people are more polite, and in business relationships would not directly criticize another’s work. Japanese people also tend to take more responsibility for their mistakes.

Since many companies are going global now, what are some of the things that leaders need to know when working for a global company?

Being bilingual is a definite advantage. I know some actuaries who went back to their home countries from the United States for opportunities there, and being fluent in the native language and English is particularly helpful as an employee in a foreign company. For Americans working for a global company, it is important to take an interest in and understand other cultures, and when working overseas, to make an attempt to learn the language, even if business meetings are conducted in English. Knowledge of International Financial Reporting Standards (IFRS), U.S. GAAP, and the

convergence of the two with respect to accounting for insurance products, as well as Solvency II and embedded value, is important.

What are the big issues we are facing as a profession?

Keeping our education current and relevant so that we can compete with other financial professionals and “risk managers.” The SOA is helping us to stay relevant as businesspeople with our unique skills, where we can be involved in other areas such as risk management and successfully apply our knowledge to other industries.

Do you think communication is really a problem for actuaries, or do we exaggerate the problem a little bit?

I think quite a few actuaries are good communicators. It’s more of a stereotype to portray actuaries as being self-conscious and shy. On the other hand, actuaries have different goals in life. Some want to be, and have the ability to be, senior executives; others may prefer to do something more technical.

I know some actuaries who prefer to do technical work instead of being in management. What do you think about that?

I think that’s perfectly fine. We need people like that in our field.

If an experienced actuary comes to you and tells you that he enjoys actuarial work but does not enjoy managing people, what advice would you give him?

If this experienced actuary enjoys working with people, I would suggest consulting, perhaps looking for an opportunity with one of the major accounting firms where the work would be audit support as well as other consulting work. A second suggestion would be a technical position within an insurance company, such as leading modeling efforts. However, I would add that as an experienced actuary, you will most likely have

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CONTINUED ON PAGE 26

some more junior people whom you would need to mentor, whether as a consultant or in a senior technical role.

What advice do you wish someone had given you early in your career?

Actually, I think I received good advice early in my career. After I received my fellowship in 1977, I had been at MetLife (then Metropolitan Life Insurance Company) for about five years. At that time I received an offer from a consulting firm that sounded good. Senior people at MetLife with whom I worked encouraged me to stay, and to take a long-term view of my career. I left MetLife and after a year decided I had made a mistake—I was able to return to MetLife, and spent another two years there before moving on to another new opportunity. Although looking back at my career I am very satisfied with how it went, I always wonder “what if” I had never left MetLife.

Are you saying that perhaps one should think twice about leaving a good company for a new opportunity? What would be good reasons to leave a job?

One should weigh carefully a decision to change jobs when he or she is comfortable in the current situation. Again, one must think carefully about long-term goals, and the type of work one finds interesting. I think good reasons to leave a job include when you feel your current job is not a fit, or where you really believe you have no chance for advancement.

Actuaries (and employees in other fields) today are more comfortable switching jobs frequently, compared to the situation 40 years ago. There is clearly less sense of loyalty to a company today, and I think employers recognize this. Another aspect of employment that was more important in the past was the long-term financial security of a defined-benefit pension plan, encouraging long-term commitment to a single employer. Now that many companies have switched entirely to defined-contribution plans, this is often no longer a consideration in deciding whether or not to make a move.

What is the most difficult thing that you have had to deal with in your career? What have you learned from that experience?

If I had to pick the most difficult thing I had to deal with in my career, I think it would be the sale of Continental Insurance Company’s life insurance subsidiaries, including Loyalty Life, which I had joined as chief actuary. As I recall, the announcement of the sale came roughly a year after I had accepted the job. As part of senior management, the sale process was difficult primarily because of its effect on people, and management (including me) not always doing the best job of communicating to the people we managed. Virtually everyone in the company ultimately ended up without a job, as the company was effectively sold as a book of business. One lesson I learned is you need to be prepared for change, the pace of which has only seemed to increase. Today’s insurance industry is far different from the Metropolitan Life of 1972! ●

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